Frequently Asked Questions around FAIS matters

1. Continuous Professional Development

1.1 **Does everyone have to do CPD?**

No. Representatives of Category 1 FSPs who ONLY work in the simplest funeral plan products (Long Term Insurance subcategory A) and/or stokvel-type products (Friendly Society benefits), and those who work ONLY in Tier 2 products, and/or those who ONLY render intermediary services in Tier 1 products do not have to do CPD activities.
If you give advice in Tier 1 financial products, you have to engage in CPD activities.

1.2 **How many CPD activities do I have to do?**

You have to do **enough** to maintain your competence, stay up to date with changes and developments in the industry, address any gaps or shortcomings in your skills and knowledge, and develop your expertise and insight.
There are **minimum** requirements that the Authority sets, but these are not necessarily enough to meet the requirement.
The minimum requirements depend on the Classes of Business and sub-classes that you work in:
One subclass only, in a single Class, requires 6 hours CPD during a CPD cycle;
Two or more subclasses, in a single Class, require 12 hours CPD during a Cycle;
If you work in two or more Classes of Business you have to do 18 hours of CPD per Cycle.

1.3 **How long is a CPD Cycle?**

12 months, starting on 1st June each year and running until 31st May the following year.

1.4 **What counts as a CPD activity**?

Anything that is relevant to maintaining and building knowledge, skills, expertise and ethical standards.
It has to be accredited by a Professional Body that confirms that the activity can be verified – which means proof of the identity of the person completing it, and proof that it was completed. The Professional Body gives the activity a value in hours.

1.5 **I am studying for a qualification, and I attend evening lectures every week. Can I count that time for CPD purposes?**

No. Activities performed towards a qualification do not count.

1.6 **I am under supervision until I pass the RE5 examination for representatives. Do I have to complete CPD activities as well?**

No. Your CPD obligation will only start once you have achieved competence by passing the RE5 examination.

1.7 **My employer organizes sessions which count for CPD points: do those count?**

The Authority (FSCA) requires CPD activities to have hour values. Check with your employer how the points are assigned to see the equivalence, and to check that the points are verified by a professional body. If, for example, one point equals one hour, then the points can be counted as hours. If two points equals an hour or work, adjust accordingly.

1.8 **I was under supervision until the end of August. When do I start CPD, and how many hours must I do?**

You do not do CPD while under supervision because you are still working towards meeting the competency requirements.

Your CPD obligation would have started as soon as you were fully competent – from 1st September onwards.

The minimum number of hours you have to complete by the end of the cycle is adjusted pro rata according to the time left in the cycle when you started. If your work would usually require 18 CPD hours, then the adjustment would be 18 ÷ 12 (giving hours per month) x 9 (Sep to May, remaining) = 13.5 hours.

1.9 **I am a Key Individual for my FSP. Do I have to do CPD?**

Yes. The minimum hours of CPD that you have to record depends on the Classes of Business and the subclasses that you manage or oversee, just as for a representative.

1.10 **I am going to attend a study programme for the RE1 examination for Key Individuals. Does that count towards CPD hours?**

Yes, as long as the programme is accredited by a Professional Body.

1.11 **I attended a half-day product training sessionfor a new product introduced by an Insurer. How many hours CPD can I record for that?**

None. Product specific training does not count towards CPD.

1.12 **Who is responsible for making sure that CPD activities are completed?**

Each representative, key individual or natural person FSP must ensure that a suitable range of CPD activities is completed each cycle and that at least the minimum number of hours is recorded per cycle. The individual must keep a record of the activities that he or she completed.

The FSP must have policies and procedures that set out how these requirements will be met and must administer the CPD process.

1.13 **I attended a workshop to prepare me to write and pass the RE5 examination. Can I count that towards CPD?**

No. At that stage you were a representative under supervision and CPD did not apply to you. You were in the process of becoming fit and proper in terms of the competency requirements.

2. Class of Business Training

2.1 **When do I need to do Class of Business training?**

You have to complete Class of Business training within 12 months of the date upon which you were first appointed as a representative to work in a financial product falling within that Class of Business, where Class of Business training was a requirement.

2.2 **Does everyone have to complete Class of Business training?**

No. Representatives in a Category 1 FSP who work ONLY in the simplest funeral products (Long term Insurance subcategory A) and stokvel-type products (Friendly Society Benefits), or who ONLY perform execution of sales, working strictly according to a script, or who work ONLY work in Tier 2 products, do not have to complete Class of Business training in order to meet the fit and proper requirements.